



# Toward Equitable School Choice

A POLICY ANALYSIS FROM THE HOOVER EDUCATION SUCCESS INITIATIVE

by Paul E. Peterson



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## EXECUTIVE SUMMARY

Inasmuch as school choice is nearly universal in the United States, then opportunities for choice need to be as equitable as possible. The question is not *whether* to have choice, as the issue is usually posed, but *how* to have choice, given its pervasive reality.

Choice is an inherent feature of the American education system. The right to a private education is guaranteed by the Constitution. And public schools allow families to choose their school when selecting the neighborhood in which to live. Given the nation's size, complexity, and modern modes of transportation, residential choice is a fundamental component of American education. Critically, this form of choice favors those with more economic and cultural resources. To provide more equal educational opportunity, new forms of choice—magnets, open enrollment, portfolio districts, charters, vouchers, tax credits, education savings accounts—have emerged in recent years to supplement choice by residence. Even more advanced forms of choice are now on the horizon, especially in the wake of the COVID-19 crisis: digitally aided homeschooling; micro-schools with specialized curricula; course choice, which allows students potentially to use different providers for each course; and neighborhood pods assisted by tutors.

These new forms of choice have not fully transformed American education. Only about 15 percent of the student population is making use of these new choice opportunities, and apart from the education provided by a relatively small number of outstanding charter and magnet schools and access to high-quality private schools for low-income families, the quality of the educational experience at the new schools is often not dramatically different from that available through assigned schools. For affluent families, the new forms of choice offer very little, as the schools they choose by residential selection are often socioeconomically and ethnically homogeneous havens of learning opportunity.

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Yet the steps taken toward creating new forms of school choice are offering a wider range of better opportunities to children from less advantaged backgrounds. In many places, these students are performing better on tests of achievement in math and reading than those assigned to a district school. They are likely to continue beyond high school at higher rates than those in district schools assigned by residence. They are at least as likely—and



probably more likely—to acquire desirable civic values than those assigned to a school. Parents express higher levels of satisfaction with choice schools than assigned ones. The demand for more choice opportunities exceeds the supply of choice schools available. Importantly, choice schools are improving with the passage of time. Choice schools, as compared to assigned ones, have adapted more quickly in the face of extreme emergencies, such as Hurricane Katrina and the 2020 COVID-19 pandemic.

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Nor do choice schools have baneful effects. Choice schools do not have a negative impact on the performance of students at assigned schools, and they have little impact on the degree of ethnic segregation in the United States. To the extent that segregation increases, it is at the will of minority families who choose desired schools regardless of ethnic composition. The costs to the taxpayer of

charters, vouchers, and tax credits are less than those of assigned schools. Nor do choice schools have a negative fiscal impact on the per-pupil expenditure levels of assigned district schools.

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New forms of choice are hardly perfect, but they are a notable advance from the old system of residential choice. Yet they encounter stiff resistance. School districts are stoutly defended by school boards, school superintendents, many teachers and the unions that represent them, as well as by high-

income better-educated families who prefer homogeneous educational settings for their children. Given the opposition, the new, more equitable forms of choice cannot be expected to fully replace residential choice, but their popularity among parents and students is expected to increase.

### **Six Principles to Guide Future Action**

1. States should encourage multiple forms of school choice.
2. US education needs greater flexibility and adaptability than what is currently offered by a rigid system of elementary neighborhood schools and comprehensive high schools.
3. A family's choice of school should not be distorted by fiscal policies that favor one sector over another.
4. School choice should facilitate desegregation.
5. The focus should be on enhancing choice in secondary education.
6. Choice by itself is not enough.

## Specific Actions

### All Sectors

- A. Encourage common enrollment systems across district, charter, and private sectors.
- B. Arrange for and cover the cost of comprehensive transportation systems that provide equal access to all students regardless of school sector.
- C. Provide special education in a wide range of settings without imposing specific numerical constraints on certain schools or networks. Parents should be given opportunities to choose programs from the district, charter, and private sectors.

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### District Sector

- D. Provide schools in portfolio districts with the autonomy needed to offer a diversity of genuine choices among quality schools.

### Charter Sector

- E. Facilitate charter growth by fostering both proven providers and minority entrepreneurs.
- F. Pay attention to charter school authorizer quality.
- G. Relax charter teacher-certification rules.

### Private Sector

- H. Consider tax credits as alternatives to vouchers.
- I. Broaden income eligibility for private choice programs.
- J. Preclude low-quality private schools from participating in government-sponsored programs but resist the temptation to regulate the private sector.

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## TOWARD EQUITABLE SCHOOL CHOICE

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Choice springs from the very roots of American education. Itinerant schoolmasters, lampooned by Washington Irving in the unforgettable tale of Ichabod Crane, plied their trade from home to Colonial home in exchange for room, board, and a

farthing. The thirst for education was widespread, especially in northern states. Before long, schooling was organized under the supervision of boards, which, while still asking families to pay fees, took responsibility for the administration of rough-hewn country schools.

These schools were important to aspiring communities eager to attract newcomers. By the time the Declaration of Independence was signed, a healthy share of Americans was literate enough to read the parchment's key passages. Thomas Paine, who rallied patriots with his *Common Sense* pamphlet during the most desperate hours of the Revolution, proposed a choice-like system in which parents would send their children "to school, to learn reading, writing, and common arithmetic, . . . the ministers of every parish, of every denomination to certify jointly to an office . . . that this duty is performed."<sup>1</sup>

Decades later, young Horace Mann traveled to Prussia to observe and bring home a state-controlled, centrally directed educational system that Bismarck would use to unify the Germanic peoples. Mann had some successes—compulsory education, normal schools for teachers, state-approved textbooks—but he never achieved anything close to the Prussian model. Local districts, under the direction of local boards, maintained local control over local school operations. People chose their schools by selecting the locality in which to live, and many of these localities had distinctive identities, whether characterized by nationality, religion, or economic status. To broadcast their accomplishments, villages painted their schoolhouses red. As schools spread across the country, they stimulated a rapidly growing economy. And as the country modernized and villages turned into metropolises, these local districts came to provide a national network of residential choice. Unfortunately, the choices took place in a landscape of increasing areal specialization by socioeconomic status. To address the accompanying inequities, new, more egalitarian forms of school choice emerged in the latter part of the twentieth century.

The new forms of school choice have been well researched. Studies and evaluations of school-choice interventions have appeared in an amazing array of reports, journal articles, and research papers. Hundreds, perhaps thousands, of studies have been released into the public domain. Although many are problematic, a surprisingly large number have been carefully conducted. Together, they provide a window on a school reform that has endured over a quarter century. But while much is known, claims and allegations offered up by narrow groups and vested interests, often with little supporting evidence, too often dominate public conversations. There remains a need for a succinct, objective, and readable summary of findings that sorts the grain from the chaff in the school-choice literature.

To be explicit, we contend: *If school choice is nearly universal in the United States, then opportunities for choice need to be as equitable as possible.* The question is not whether to have school choice—as the issue is frequently posed—but how to have choice, given its prevalence. To develop this contention, we briefly describe the ways in which technological advances and the spread of the modern spatial economy unwittingly transformed the country’s educational heritage to create an unequal system of residential choice. We then show how modern forms of school choice evolved to address the inherent inequities of residential choice and summarize major findings from the best of a broad literature on these new forms of choice. Drawing upon these findings, we then offer a set of general principles and specific recommendations for state and local policy makers.

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## NEW FORMS OF CHOICE

Here we briefly discuss the design, development, governance, and finance of school choice, as well as its effects on segregation, student achievement, long-term educational attainment, parental satisfaction, and district-school finance and performance. Our discussion is divided into the following areas: 1) theory, origins, and development of choice; 2) district-designed choice: from magnets to portfolios; 3) charter schools; and 4) private school-choice programs. For elaboration on each of these topics, the reader is encouraged to look at the papers cited in the opening footnote and the extended list of references at the end. Our focus on programs for which research evidence is available means that we do not explore some of the emerging forms of choice—homeschooling, neighborhood pods, course choice, micro-schools—currently attracting attention in the wake of the COVID-19 pandemic.

### Theory, Origins, and Development of Choice

Though theorists from John Locke to John Stuart Mill clearly placed the responsibility for children’s education in the hands of their parents, modern theories of school choice are of relatively recent vintage. It was not until the 1950s that University of Chicago economist Milton Friedman argued that choice would induce school improvements by creating a competitive market for education. Three decades later, University of Chicago sociologist James Coleman said choice would generate social capital by embedding schools within community life, and Brookings Institution political scientists Terry Moe and John Chubb suggested that choice would check the power of special interests in public education. Critics have responded to these claims by arguing that choice widens social and cultural divides, accentuates inequalities, and undermines support for the existing system of democratically governed public schools.<sup>2</sup>

But while choice theory is of relatively recent vintage, the practice of school choice is rooted in the historical development of American schools, which were built from the



bottom up, not the top down. In 1920, control of schooling rested in the hands of more than 120,000 school districts typically governed by elected school boards. Even now, 90 percent of the country's fourteen thousand school districts are governed by an elected board, with the remainder (which includes such large cities as Chicago, Boston, and New York City) usually appointed by the mayor.<sup>3</sup>

Schooling until the age of fourteen first became compulsory in 1852 in Massachusetts and spread nationwide during the ensuing decades. Children attended either the district's "little red schoolhouse" or, in larger towns and cities, an elementary school designated for their neighborhood. When public high schools were introduced, they initially provided only an academic education for the socially advantaged. But unlike the socially and academically stratified schools found in European countries, they evolved into comprehensive schools serving all the community's students. Only in a few large cities did "exam" schools offer college-preparatory courses set aside for the most able students. A limited number of these college-preparatory, or "exam," schools continue to offer choices to talented students today, mainly in the Northeast and the Midwest.<sup>4</sup>

Ironically, new transportation technologies (streetcars, trains, automobiles, highways) within modern metropolises marked by size, complexity, and areal specialization transformed these democratically designed neighborhood elementary schools and comprehensive high schools into a spatially stratified education system. As employees found it easier to distance their workplace from their residence, parents considered the desirability of local schools when selecting neighborhoods in which to raise their children. Families with greater financial resources bought or rented homes in neighborhoods with more desirable public schools, providing choice for those who could afford the costs. Resources for schools varied by school district, as each depended heavily on the local property tax for its revenues. Although the state role in school finance has increased substantially, in 2015 the average local district in the United States still contributed 45 percent of the total revenues for public elementary and secondary education from its own resources. Another 47 percent of the revenues comes in the form of state grants, and 8 percent comes from federal sources. Each school has become defined by the social composition and financial resources of its residents.<sup>5</sup>

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Over time, neighborhoods became increasingly segregated by income and ethnic composition, and parents' ability to choose high-quality public schools for their children became increasingly dependent upon family wealth, income, and ethnic background.<sup>6</sup> These trends were not interrupted by the *Brown* (1954) decision, which banned school segregation. Southern schools desegregated during the 1960s following an increasingly



strict set of court decisions and the passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965, which enfranchised southern African Americans. But after *Milliken v. Bradley* (1974) distinguished de jure segregation, racial separation required by law, from de facto segregation, racial differentiation due to private choice, the rate at which schools desegregated slowed dramatically. Instead, central-city school enrollments became predominantly African American and Hispanic, while suburban school enrollments became overwhelming White.<sup>7</sup>

Over the past thirty years, the share of enrolled public school students who are White has declined as the share of students who are Hispanic and Asian sharply increased. In the mid-1990s, White students constituted nearly two-thirds of the public school population. That percentage declined steadily to 49 percent by 2015. Meanwhile, the Hispanic share of enrollment rose from 13 percent to 26 percent, and the Asian share more than doubled from 2 percent to 5 percent. The African American share has remained steady at about 15 percent of total enrollment.<sup>8</sup>

The degree of ethnic segregation in US schools has remained largely constant for thirty years, once this change in the demographic composition of the schools is taken into account. This is best shown by an index that divides ethnic groups between those who are members of a disadvantaged minority (African American and Hispanic) and those who are not considered to be a disadvantaged minority (White and Asian). The index varies between zero (perfect integration, where every school has the same ethnic composition as the larger geographic area) and 100 (complete segregation). On this index, school districts scored about 33 points in 1995 and only a point or two lower in 2015. The index stands at a considerably higher level when calculated for metropolitan areas, because the forces driving segregation today are residential choices among school districts. At the metropolitan level, the index stood at 55 points in 1995, declining only slightly to 51 as of 2015. In other words, residential choice has helped to perpetuate a pattern of segregation for many decades.<sup>9</sup>

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State and federal efforts to enhance equal educational opportunity has shifted from a desegregation strategy toward a compensatory strategy by concentrating greater financial resources on schools with larger concentrations of minority students. The war on poverty, the federal government's compensatory education program, a host of state supreme court decisions mandating more equitable school expenditures across school districts, and a number of other programs has sought to level the fiscal playing field across school districts. But, unfortunately, the relationship between socioeconomic background and student achievement has remained extremely wide over the past fifty years.<sup>10</sup> It is time to consider major changes to the status quo.



## District-Designed Choice: From Magnets to Portfolios

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Many districts have come to realize that students need to be given alternative schooling opportunities. To supplement exam schools that remain a legacy from an earlier era, large cities gradually introduced vocational schools, technical schools, performing arts schools, and other specialty schools designed to serve a broader student population. District

choice shifted to a new level when choice was seen to be an alternative to unpopular compulsory desegregation policies that compelled students to take buses to schools outside their neighborhoods. They established magnet, open enrollment, and other voluntary desegregation plans. In some districts, plans have evolved into systemwide choice plans, often called portfolio schools, that offer parents a wide range of options. But to succeed, portfolio schools must surmount high political barriers.

### *Evolution of District Choice*

Quite apart from the “real estate choice,” or residential choice, that has been a historic part of American education, new forms of district choice have become among the most common options available. It is estimated that in 2019 about 13 percent of US students attended their choice of district school, as compared to about 6 percent in charters and 12 percent in the private sector or within the home (homeschooling).<sup>11</sup>

Magnet schools, the most successful of the early district-choice innovations, are expected to be of such high quality that they will attract students of all backgrounds. The program proved so popular that during the Nixon administration Congress initiated the Magnet Schools Assistance Program that has remained in place ever since, allocating over \$100 million annually to eligible schools. Magnet schools today vary in definition and purpose, but in 2017, 4 percent of all public schools, enrolling nearly 7 percent of all students, called themselves magnet schools. Though the data are little known and only occasionally evaluated, a higher percentage of students in the United States are enrolled in magnet schools than in charter schools.<sup>12</sup> Yet there are important limits on choice at many magnet schools, as many districts give preferences to students in nearby neighborhoods.

Magnet schools, like much else in American education, are so diverse that they are difficult to characterize. They tend to be placed in residentially integrated areas or near racially defined boundaries within large cities, and they often have a special focus, such as math and science, performing arts, or Montessori instruction. Frequently they are expected to attract White families to integrated settings. Los Angeles, Miami-Dade, and Houston have “magnetized” more than one hundred schools. Most, but not all, evaluations find student performance at these schools to be, on average, somewhat higher than at nearby neighborhood schools.<sup>13</sup>

Nationwide, parents of children attending a magnet school are, on average, more satisfied than those whose children attend assigned district schools—and just as satisfied as those with children at charter schools. The higher satisfaction rates could be due to the additional resources allocated to magnets than to assigned schools, or to the fact that parents are allowed to choose the school, or because choice allows for a better matching of school offerings to student needs and interests.<sup>14</sup>

Forty-three states have established interdistrict school-choice programs that allow parents living in one district to send their child to another. Laws vary widely from one state to another. Often, receiving districts can refuse a child if they have no available seats; in some states, such as Ohio, districts can opt out of the interdistrict choice plans altogether (as the most exclusive districts are wont to do). But if districts do participate, they receive the state aid that follows the child, leaving the district losing an enrollment with no more than transition assistance. Families are generally expected to arrange and pay for the transportation costs if a child decides to participate in an interdistrict choice program.

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These features may account for the small number of enrolled students in these programs. Still, an interdistrict choice program in Massachusetts seems to enhance achievement by matching students to a preferred school. Interdistrict choice programs can also be designed to provide new opportunities for students in districts with high minority populations. The impact of such programs varies. While the METCO program in Boston has been deemed a success, a three-city randomized evaluation of a program known as “Moving to Opportunity” found no significant effects on student achievement of a court-ordered shift to an integrated suburban community of minority students previously living in a public housing complex.<sup>15</sup>

Building on magnet school popularity, a districtwide system of “portfolio” schools that seeks to turn all district schools into magnets has been proposed by the Center on Reinventing Public Education in Seattle. Portfolio schools are expected to stimulate innovation, competition, equity, and choice by assigning to district officials a limited set of systemwide tasks, such as finance, collective bargaining negotiations, and admissions policies. The remaining tasks are devolved to the principal at each school, who is expected to define the school’s mission and curricular design as well as recruit and evaluate teachers and other personnel. For each school to act as a magnet, each principal must design and implement a focus that a requisite number of students and families will find attractive.

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Families choose among schools by ranking their preferences. Once these are stated, complex lotteries governed by rules (priorities for siblings, those living closest to the school, those in need of special education, and so forth) match family preferences to available schools. If schools are oversubscribed, a lottery is held. To be successful, the model requires

desirable schools, strong leadership at local levels, and collective bargaining agreements that allow a maximum of local discretion. If schools do not attract sufficient choices, the district office needs to have the political strength to close the school, which is never a popular option. More than twenty cities have implemented some version of the portfolio model.<sup>16</sup>

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Several districts have created portfolio schools in order to respond to a robust charter sector. In a few cities, a common enrollment system allows students to choose their district and charter school preferences with a single application.<sup>17</sup>

### *Challenges and Prospects*

Portfolio models face many challenges. They are likely to encounter resistance from (often influential) residents who have invested in homes with high-performing elementary and high schools. In Denver, opponents to the portfolio model have been elected to the school board, threatening to undo many of the changes that had been instituted.<sup>18</sup> Certification requirements, state laws, and collective bargaining agreements (e.g., seniority rights) can limit principals' authority to select teachers appropriate to a school's mission. Other restrictive laws and agreements set uniform working conditions across the district, which can limit administrative flexibility, such as the way in which the school day can be organized.<sup>19</sup>

Portfolio models necessitate a complex transportation system that can safely and efficiently connect students to their own schools. Its high cost—in both time and money—poses a challenge for the portfolio model.<sup>20</sup> Inevitably, some schools will be less attractive, and some families will simply choose their neighborhood school. To be successful, the portfolio model must be accompanied by policies that enhance school quality across the board.

## Charter Schools

Charters are publicly authorized and largely publicly funded schools operated by nonprofit organizations that agree, in most cases, to five-year renewable contracts with state-determined authorizing agencies. Beginning in Minnesota in 1991, charters were expected to introduce teacher-sponsored innovations for eventual introduction into district-operated schools. As they spread across the United States, charters were presented as alternatives to failing public schools. In exchange for the flexibility to operate free of the many regulations and restrictions placed upon district schools, including the district's collective bargaining agreement, charters are held accountable for providing promised levels of educational service and are subject to periodic assessment by the authorizer. Approximately one-tenth of charters have not survived—for financial reasons, lack of enrollment, or nonrenewal of their charter by the authorizer.<sup>21</sup>

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Charters fall into three broad categories: (a) independent, stand-alone charters; (b) charters embedded in networks administered by charter management organizations (CMOs); and (c) charters governed by nonprofit entities governed by boards that use for-profit education management organizations (EMOs) to operate the schools.

### *Governance, Growth, and Distribution*

Each state has its own approach to authorizing charter schools.<sup>22</sup> Agencies assigned the authorizing power include local school districts, universities, mayoral offices, or an agency of the state itself.

While school districts are the largest number of authorizers, they usually authorize only one or a small number of charters that serve a specialized population. Authorizers are perceived to vary considerably in the quality of their expertise and diligence of their supervision. There is some evidence from Ohio that nonprofit entities are not as effective authorizing bodies as government agencies.<sup>23</sup> In North Carolina, students learned less in the schools that authorizers closed than at the ones that remained open, suggesting the authorizers in that state were exercising their duties responsibly.<sup>24</sup> The steeper upward trend in student achievement at charter schools, relative to district schools, in the Northeast than elsewhere may suggest that authorizing in that particular region has been particularly effective at monitoring charter quality.<sup>25</sup> Students in charter schools in the West have not improved at any faster rate than those in district schools, which may imply that authorizers in this region are exercising their responsibility with a lighter touch.<sup>26</sup> But much more research on the factors that make for an effective authorizer remains to be done.

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Funding arrangements vary widely across states, but overall charter schools receive approximately 20 percent less in revenue per pupil than the amount obtained by district schools.<sup>27</sup> The disparity is mainly due to a greater dependence of charters on state grants. States typically allocate equivalent grant monies per student to charter and district schools, but districts can also draw upon local tax

revenues, while charters seldom receive funding from local tax revenues, depending on supplementary revenues instead from family contributions, foundation grants, and federal grants to cover building costs (which amounted to \$400 million in 2020).<sup>28</sup>

Charters and districts allocate their revenues differently. Districts have large and growing pension and medical insurance obligations to current and retired employees, which, on average, constitute as much as 20 percent of their budgets. Charters have minimal legacy costs but must pay out of their operating budget for start-up and building costs that districts may not encounter. Both charters and districts accuse the other sector of enjoying a fiscal advantage. In practice, conditions vary so widely it is difficult to generalize.<sup>29</sup>

The presence of charter schools usually does not have a negative impact on district revenues per pupil, as state aid is ordinarily distributed by a per-pupil formula. Instead, district revenues per pupil increase whenever districts derive a significant share of their revenue from the local property tax so long as the tax base and tax rate do not change. However, total district revenues can be expected to decline when students leave the district for the charter sector—unless enrollments are otherwise increasing. The decline in total revenue requires downsizing, which can be especially painful if legacy costs comprise a substantial share of district budgets.<sup>30</sup>

***Parental demand for charter schools exceeds supply in many parts of the country.***

National enrollment in the charter sector reached 448,000 students by the beginning of the twenty-first century, and by 2016 the sector had quintupled to more than three million students, which is 6 percent of the public school population.<sup>31</sup> Parental demand for charter schools exceeds supply in many

parts of the country. Many charter schools are oversubscribed, and the number of students on waitlists is estimated to be more than one million. While that number may be inflated by duplicate applications held on waitlists, and many who put their name on such lists do not accept admission when it is offered, charters remain a popular option for many parents who award considerably higher satisfaction rates to charter schools than to assigned district schools. However, the charter satisfaction rates are about the same as those for magnet schools and other district choice schools.<sup>32</sup>

Despite the relative popularity of the charter sector, its growth rate has slackened of late. Up until 2014, annual growth rates hovered between 6 and 9 percent; more recently, they have dropped below 2 percent and may have stalled altogether. Slower growth seems to be due to a set of interacting factors: (a) more intense school district and teachers' union opposition to charter schools; (b) state and local restrictions on expansions in the number of schools and the number of enrolled students; (c) greater difficulty finding appropriate sites in urban areas, especially when districts do not make vacant buildings available to charters; (d) less support for start-up and building costs from both public and private sources; (e) a focus of private-sector funders on expansion of existing charter schools and charter networks; (f) inadequate per-pupil grants to cover operating costs in some states; and (g) fewer educational entrepreneurs proposing new charter schools.<sup>33</sup>

Charter growth is continuing in western states experiencing population growth. Opposition to charters declines when districts' own enrollments are increasing, as charters can relieve crowding in district schools.<sup>34</sup>

As of 2016, 56 percent of the nation's seven thousand charter schools were sited in cities. Partly because of the schools' urban locations, students attending charter schools are more likely to be of minority background than those at district schools. In 2016, African Americans comprised 26 percent of charter enrollments, as compared to district enrollments of 15 percent. Hispanic students constituted 33 percent of the charter sector as compared to 26 percent of the district sector. Meanwhile, only 32 percent of charter students are White, as compared to 49 percent of those in district schools.<sup>35</sup> Similarly, charter schools disproportionately serve low-income families. In the 2016–17 school year, roughly 36 percent of charters were classified as high-poverty schools (with three-quarters of the student body eligible for free or reduced-price lunch), compared to just 24 percent of district schools.<sup>36</sup>

Although charters are frequently criticized for aggravating segregation in schools, the best available evidence indicates that charter schools—and other forms of choice—have had little effect on the degree of segregation in US schools.<sup>37</sup> As mentioned, the degree of segregation within districts and within metropolitan areas has not changed over the three decades in which charter enrollments have grown from a minuscule level to about 6 percent of all students. Detailed analyses indicate a probable increase in segregation of about 1 to 2 percentage points due to all forms of choice.<sup>38</sup>

Given disproportionate enrollment of nonwhite students in charter schools, the increase may be driven in good part by Hispanic and African American selection of charter schools with high minority enrollments. However, some white families may be selecting charter schools with smaller minority enrollments than in their assigned district schools.



### Effectiveness

Summarizing an extensive review of the literature, S. R. Cohodes says, quite frankly, that “the evidence shows, on average, no difference [in achievement] between students who attend a charter and those who attend a traditional public school.” There is one exception to this generalization, she writes: “Urban charter schools serving minority and low-income students that use a no excuses curriculum” have “significant positive impacts on student outcomes.” She notes that these “no excuses” schools are concentrated in Boston, New York City, and Washington, DC, and perhaps some other urban areas. She also notes that the charters operated by the Knowledge Is Power Program (KIPP), a network of schools that follow a “no excuses” curriculum, “produces statistically significant positive test score effects.”<sup>39</sup>

In a meta-analysis of forty-seven charter studies, J. R. Betts and Y. E. Tang are only slightly more positive in their assessment. The authors say that, apart from students attending KIPP schools and those attending the average middle school, “the predicted gains in achievement from attending a charter school are small, typically 0.5 to one percentile point.” But if a student stays in a charter school for six to twelve years, Betts and Tang go on to observe, these small gains might become reasonably substantial. Their meta-analysis also shows that in middle school gains are somewhat higher, 2 percentile points in reading and 3 percentile points in math each year.<sup>40</sup>

In a third review of the literature, A. J. Egalite says that high-quality studies have “revealed statistically significant, large, and educationally-meaningful achievement gains for lottery winners, with particularly dramatic gains observed for disadvantaged students, students of color, and English language learners.” But Egalite also notes that the Center for Research on Education Outcomes (CREDO) at Stanford University, an organization that has cast its research net widely across many states, finds, on average, little difference between charter and district schools.<sup>41</sup> However, CREDO shows more positive results for disadvantaged students, those in urban areas, and those in the Northeast, with smaller, if any, charter effects in the West.<sup>42</sup>

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M. D. Shakeel and P. E. Peterson find steeper achievement growth nationwide between 2005 and 2017 by cohorts of fourth- and eighth-grade students attending schools in the charter sector

than by those enrolled in district schools. The disproportionate gains are especially large for African American students and for those from the lowest socioeconomic backgrounds.<sup>43</sup> The CREDO study compares charter students in seventeen states to students at nearby district schools who have similar demographic characteristics and prior test performance. The study



finds relative improvement at charters for each year of the four-year period from 2009 to 2013.<sup>44</sup> The study attributes most of the improvement to replacement of weaker charters by more effective ones. P. L. Baude et al. compare the value-added performances of students in Texas who switch to a charter school with those of students who remain in the original district school. The authors found that in the initial period, charter school quality was, on average, lower than that of district schools. With time, the charter sector improved in relative effectiveness between 2001 and 2011. The authors attribute that finding to factors such as closure of lower-quality charter schools, entry of higher-quality charters in subsequent years, and internal improvement by charter schools. Changes in the proficiency of students entering the charter sector account for only a small portion of relative achievement gains.<sup>45</sup> The clearest signs of improvement are within the CMO component of the charter sector, which has numerous high-quality networks that have enhanced the public standing of charters more generally.<sup>46</sup>

Although the number of studies that have estimated charter effects on long-term educational attainment is fairly limited and is concentrated on oversubscribed charters, none show negative impacts and a majority indicate that charter schools increase the chances that alumni attend college and complete a college degree program.<sup>47</sup> Only one of many studies finds a negative charter impact for some outcomes.<sup>48</sup>

The charter sector adapts more quickly in the face of large-scale disasters. For instance, the charter schools and private schools in New Orleans opened more quickly than the district schools in the aftermath of Hurricane Katrina. The charter networks also provided more systematic instruction when the COVID-19 pandemic forced school closings in the spring of 2020.<sup>49</sup> When parents were surveyed in May 2020, 61 percent of charter parents said the teacher worked with their child’s class several times a week and 42 percent said they worked that often with their child individually.<sup>50</sup> At district schools, these percentages were only 43 percent and 17 percent, respectively. Nearly twice the percentage of district parents as charter parents said their child had learned “a lot less” when schools closed and instruction was provided only online.<sup>51</sup>

### *Challenges and Prospects*

Although some school boards have authorized one, or even a few, charter schools in their district, most of these charters are either online charters, serve a specialized population, or act as a boutique institution funded with federal dollars. Otherwise, most school boards and superintendents see charters as a threat to enrollments at district schools and, if possible, erect barriers against expansion, including refusal to rent or share underutilized facilities, block sales of vacant land to charters, and oppose state laws that facilitate charter expansion.<sup>52</sup>

***Most school boards and superintendents see charters as a threat to enrollments at district schools and, if possible, erect barriers against expansion.***



*Greater utilization of charters by African American and Hispanic families, together with higher levels of support for charters in public opinion polls among minority respondents, allows proponents to present charters as the “civil rights issue of the twenty-first century.”*

The two largest teachers’ unions—the National Education Association (NEA) and the American Federation of Teachers (AFT)—perceive charters to be a threat to the district schools that employ most of their members. In Chicago and elsewhere, unions have sought to include restrictions on charter expansion in collective bargaining agreements. Unions campaign for candidates for public office and exercise substantial influence over education policy at all three tiers of government, local, state,

and national. Teachers’ unions contributed over \$36 million in 2016 and over \$30 million in 2018 to political campaigns. Over 90 percent of donations identified by political party was given to Democratic campaigns. Union opposition to charters has increased as the size of the charter sector has grown.<sup>53</sup> Unions are also making assiduous efforts to organize charter schools and have had success in a few places.

Support for the neighborhood elementary school and the comprehensive high school is especially great among public officials in both rural and suburban parts of the United States, regardless of political party affiliation. In small towns, comprehensive high schools are focal points for community activities, and the low density of the population makes it particularly difficult to offer choices among providers. The neighborhood elementary school and the comprehensive high school already give suburbanites a choice by their selecting a residence in their preferred neighborhood. All these political forces may retard even modest expansions of choice even under what might otherwise appear to be very favorable conditions. As Egalite puts it in her 2020 research paper:

In 2017, Massachusetts voters shot down Question 2, which would have modestly altered the cap on charter schools by permitting the establishment of up to 12 new schools per year . . . in the state’s lowest-performing public school districts. Despite receiving support from high-profile public figures, including US Secretary of Education John King, and despite the fact that supporters of the ballot initiative outspent opponents by almost \$10 million, Question 2 was rejected by 62 percent of voters. . . . This outcome is perhaps puzzling, given that . . . numerous studies have shown particularly large, positive impacts of Boston charter schools on the educational outcomes of the city’s most disadvantaged students.<sup>54</sup>

Still, several factors enhance the prospects for charters, as outlined in the boxed text on page 17.

## Factors That Enhance the Prospects for Charters

1. Majority support for charters, as expressed in most public opinion polls. However, that support does not necessarily materialize when charter expansion is put on the ballot by initiative or referendum.<sup>55</sup>
2. Low performance of students in cities and especially in predominantly minority schools. The case for choice is strong when existing service provision appears to be ineffective.
3. Charters as a civil rights issue. Greater utilization of charters by African American and Hispanic families, together with higher levels of support for charters in public opinion polls among minority respondents, allows proponents to present charters as the “civil rights issue of the twenty-first century,” despite growing opposition to charter expansion from the NAACP and other civil rights groups.<sup>56</sup>
4. Bipartisan support for charters in urban areas. Although Democratic support for charters has eroded recently, support for charters among African American and Hispanic families, a core Democratic constituency, may reverse that trend.<sup>57</sup>
5. Governors and mayors. Elected officials with the broadest constituencies in high-visibility elections are more likely to favor charters than those elected from more narrowly focused offices chosen in low-visibility elections. In low-visibility contests, voter turnout is low and the influence of organized groups, especially those employed in the industry, is much greater. As a result, charter expansion is generally tied to backing by governors, mayors, and other highly visible officials chosen by broad constituencies.

## Private School–Choice Programs

During the Colonial period and for the first few decades after US independence had been declared, many schools were operated by religious organizations and most parents paid fees if their child attended school. As Roman Catholic immigrants from Ireland and Italy poured into the United States after 1830, Horace Mann, the first secretary to the Board of Education in Massachusetts, responded by urging compulsory education and state control of textbook selection and teacher training to ward off sectarian influences. These reforms gradually spread throughout the country, but most schools kept a nondenominational Protestant aura, which was symbolized by daily prayers and readings from the King James Version of the Bible. In response, Catholic leaders urged local parishes to erect their own schools that taught Catholic doctrine and practices along with reading, writing, and arithmetic. When parishes asked for state aid, it was almost always refused by legislatures dominated by a Protestant majority. During the 1870s, James Blaine attempted to cement that denial permanently by adding an amendment to the US Constitution that would explicitly ban aid to sectarian schools. Though Congress did not pass the proposed amendment, similarly worded amendments were attached to many state constitutions.<sup>58</sup>



The State of Oregon went even further by requiring all students to attend public schools, denying the right to a private education altogether. But the US Supreme Court, in *Pierce v. Society of Sisters of the Holy Names of Jesus and Mary* (1925), declared the law to be an unconstitutional violation of the due process clause of the Fourteenth Amendment, which guaranteed the parental right to send a child to a private school. The current constitutional discussion focuses on whether and how state and federal governments can provide assistance to those who choose to attend a private religious school.<sup>59</sup>

### *Definitions, Size, Distribution, and Religious Affiliation*

Private school-choice programs designed to provide more equitable access to the private education sector can be broadly divided into three categories:

1. School vouchers, which disadvantaged families may use to offset tuition at private schools. During the 2018–19 school year, twenty-eight different voucher programs operated in sixteen states plus the District of Columbia and the Territory of Puerto Rico. Despite the number of programs, fewer than 200,000 US students received school vouchers.<sup>60</sup>
2. Tax credits. Partial or full exemption of taxes for contributions by individuals or corporations to foundations that provide private school scholarships to disadvantaged families. During the 2018–19 school year, twenty-three tax-credit scholarship programs operated in eighteen states. The number of students receiving such scholarships was fewer than 300,000.<sup>61</sup>
3. Education Savings Accounts. The newest and most flexible mechanisms for providing private school choice are education savings accounts (ESAs). These accounts function much like the flexible spending accounts that many families use to cover childcare and medical expenses. The state places a portion of the amount of money it otherwise would spend on a child if the student attended a public school into an expenditure account controlled by the child's parent. Withdrawals from the account can be used to cover an extensive set of approved educational expenses, typically including private school tuition, tutoring, textbooks, educational software, and therapies for children with disabilities.<sup>62</sup> Most ESAs permit the funds to roll over annually and to be used to cover a child's higher-education expenses. The first ESA program was launched in Arizona in 2011. In the 2018–19 school year, six programs operated in six states, serving 18,706 students.<sup>63</sup>

***The newest and most flexible mechanisms for providing private school choice are education savings accounts (ESAs).***

Due to their flexibility, ESAs are especially well designed to serve students facing various challenges.<sup>64</sup> The Arizona Empowerment Scholarship Accounts program is limited to students with disabilities, as well as those in the foster care system, on Native American reservations, or attending a failing public school. The Florida Gardiner

Scholarship Program is restricted to students with an Individualized Education Plan (IEP) or who have been diagnosed by a physician with any of a number of serious physical disabilities. The North Carolina and Tennessee ESA programs have eligibility guidelines similar to those of Florida. Mississippi's Equal Opportunity for Students with Special Needs Program is available to any student with an IEP but operates under an enrollment cap that limited the program to 356 students in 2018–19. The Nevada ESA program, enacted in 2015, is universally available to all public school students in the state but has yet to be funded.

Despite their number and variety, private school-choice programs serve less than 1 percent of the more than fifty million students who attend elementary and secondary school in the United States. Still, that number constitutes more than one-tenth of all students attending private schools in 2017. In that year, the private sector constituted about 9 percent of all students attending elementary and secondary school, down from 15 to 16 percent in the 1960s.<sup>65</sup> The program thus provides many private-sector schools with valuable financial resources and many low-income students an opportunity to attend the private school of their choice.

*Private school-choice programs serve less than 1 percent of the over fifty million students who attend elementary and secondary school in the United States.*

As of the 2015–16 school year, 36 percent of private school students attended a school affiliated with the Catholic Church, a marked fall from nearly 90 percent in 1965. The decline is due to migration of Catholics from the Catholic neighborhoods in central cities to middle-class neighborhoods in suburbia; decline in religious animosity between Protestants and Catholics; rising Catholic-school costs (due to replacement by lay teachers of clerical teachers who had taken vows of poverty); and fiscal crises in Catholic churches triggered by settlements of sexual abuse lawsuits. The decline in the size of the Catholic sector accounts for most of the downturn in private-sector enrollments.<sup>66</sup>

Nearly 40 percent of students attend religious schools with a non-Catholic orientation. Evangelical Protestant (also known as Christian) schools, the most rapidly growing component of the private sector, constitute about one-half of these enrollments. This sector distinguishes itself from district and charter schools by including religious instruction and emphasizing traditional values in its curriculum and practices. The remaining twenty-four percent of private school students attend secular schools. This sector includes—but is not limited to—those who attend prestigious boarding and day schools, known for their high tuition, entrance requirements, handsome campuses, and college-preparatory programs.<sup>67</sup>

As private-sector enrollments declined, school-voucher and tax-credit proposals gained traction. Even as early as the 1960s, Senator Hubert Humphrey (and, later, Senator Joe Biden) supported a federal tax deduction for a portion of private school tuition costs,<sup>68</sup>



***Even as early as the 1960s, Senator Hubert Humphrey (and, later, Senator Joe Biden) supported a federal tax deduction for a portion of private school tuition costs.***

and, indeed, federal support for transportation and other services of benefit to private schools was included as part of the Elementary and Secondary Education Act of 1965 (ESEA) enacted into federal law during the Johnson administration. In 1990, Wisconsin passed legislation that awarded low-income families in Milwaukee a voucher of up to \$1,500 for private school tuition for each child sent

to a secular private school. That program later expanded to include religious schools, and enrollments increased from a few hundred students to nearly twenty-five thousand, about a fourth of Milwaukee's school-age population.<sup>69</sup>

Although the Supreme Court, in *Committee for Public Education and Religious Liberty v. Nyquist* (1973), declared unconstitutional New York State's reimbursement of tuition for attendance at a religious school, that decision was substantially qualified when the court found, in *Zelman v. Simmons-Harris* (2002), that vouchers to low-income families to attend a private school were permissible. The court distinguished the two cases on the grounds that the Ohio law, unlike the New York statute, had a secular purpose of educating disadvantaged students and the voucher was given to parents to be used to attend any school, religious or secular. In *Espinoza v. Montana Department of Revenue* (2020), the Supreme Court ruled that states may not ban donors from receiving a tax credit for contributions to a foundation funding scholarships to religious schools if the credit is available for secular schooling.

### ***Effectiveness of Voucher/Tax-Credit Interventions***

***Attendance at a private school, whether or not aided by a choice intervention, is nearly always found to have either no effect or a positive one on important civic values.***

The effects of these choice programs on student outcomes are usually positive or neutral. Most high-quality evaluations of school voucher and tax-credit interventions find either positive or null effects on student achievement, with positive effects identified more frequently for minority students. However, evaluations of statewide interventions in Indiana, Louisiana, and Ohio have identified negative

impacts.<sup>70</sup> Evaluations that estimate voucher or tax-credit effects on longer-term outcomes show either positive or null impacts on high school graduation, college enrollment, and college degree attainment.<sup>71</sup> Parental satisfaction of those using vouchers and tax-credit scholarships to attend private schools is substantially higher than for comparable students attending assigned district schools.<sup>72</sup> Attendance at a private school, whether or not aided by a choice intervention, is nearly always found to have either a positive or no effect on important civic values: political tolerance, political participation, civic knowledge and skills, voluntarism, and social capital.<sup>73</sup> Effects of school vouchers and tax credits on the achievement of students at nearby district schools are usually positive, though some studies find null effects. Only one study has found some adverse effects.<sup>74</sup>

## Finances

Expenditures in both the private and public sectors vary widely across the country, but overall, private schools are estimated to spend less per pupil than public schools do. In 2017, the national operating expenditure per pupil for public schools was about \$11,400, while private school tuition averaged around \$10,000 or 9 percent less.<sup>75</sup> School vouchers and tax credits are roughly one-half to two-thirds the level of revenues per pupil available to district schools.<sup>76</sup> As is the case with charter schools, voucher and tax-credit interventions have little effect on per-pupil expenditures in district schools. Although state aid received by districts falls when enrollment declines, revenues from local property ordinarily remains constant, generating additional resources per pupil.<sup>77</sup>

Public and private schools use different criteria for identifying students in need of special education, making it difficult to compare the readiness of the private sector to admit students in need of special education. But some of the most popular voucher programs are those designated for those students.

## Challenges and Prospects

In the aftermath of the *Brown* decision, Southern segregationists enacted state laws that tried to use vouchers as a means of forestalling school desegregation in the South. Although courts quickly declared such laws unconstitutional, and none were implemented, the voucher movement has been tainted by its association with the resistance to desegregation. The American Civil Liberties Union and similar organizations oppose government aid to religious schools. Although the US Supreme Court, in *Zelman*, found constitutional a Cleveland voucher plan, these groups seek to overturn that decision and find voucher plans in violation of state constitutional provisions.

Many of the groups and organizations opposed to vouchers (e.g., teachers' unions, civil rights groups, and secularists) are generally aligned with the Democratic Party. Given their constituencies, Democratic political leaders generally oppose school vouchers and tax credits, though a few, such as former senator and vice presidential candidate Joseph Lieberman and Wisconsin state legislator Polly Williams, bucked the party.<sup>78</sup>

Most district superintendents remain loyal to the school districts that they serve and envision the private sector as an undesirable threat that reduces district enrollments. The American Association of School Administrators openly opposes vouchers.<sup>79</sup>

Several state judicial decisions have found vouchers to be either an unconstitutional violation of state Blaine amendments or of the “unified provision” and similar clauses found in many state constitutions.<sup>80</sup>



Factors that enhance the prospects for extending more equitable access to private schools include the following:

1. Low performance of students in cities and especially in predominantly minority schools. The case for choice is strongest when existing service provision appears to be ineffective.
2. Savings to state budgets when families use tax credits to attend private schools. The credit is often less than the per-pupil amount the state grants to district schools.<sup>81</sup> Tax credits are popular with private schools because they are less likely to include regulatory provisions that impede private school operations. They also have encountered fewer constitutional barriers than school vouchers. Finally, tax credits command clear majorities of support among the public at large and among the rank-and-file members of both political parties.<sup>82</sup>
3. Higher levels of support for vouchers and tax credits among African American and Hispanic adults than among their white counterparts. Access to equitable schools can be presented as a civil rights issue, despite historical association with Southern segregationists.<sup>83</sup>
4. Republicans with broad constituencies support voucher and tax-credit interventions, and suburban and rural Republicans typically support these interventions in urban areas.

Given the breadth of the opposition, the prospects for expansion of private school-choice opportunities are ordinarily limited to circumstances in which Republicans have control of the legislative and executive branches of government and the interventions receive a friendly reception in the courtroom.

## PRINCIPLES AND RECOMMENDATIONS

We now consider the best way to move forward. We begin with a set of general principles to guide future school-choice policy and then offer specific recommendations.

### Principles

#### *1. States should encourage multiple forms of school choice.*

*Students are diverse. Each can benefit from finding the school that best suits their particular needs, hopes, and dreams.*

There is no one best school. Students are diverse. Each can benefit from finding the school that best suits their particular needs, hopes, and dreams. Benefits from school choice may come as much from allowing students to pick the schools that work for



them as from any beneficial effects that stem from competition. The many forms choice can take are complements to district education, whether they are magnets, portfolio districts, charters, vouchers, or tax credits. The State of Florida, and most particularly Miami-Dade County, provides an excellent example of the way in which choice programs can have complementary positive impacts.

Unfortunately, choice opportunities have spread slowly in part because some advocates of choice celebrate their favorite form while denigrating others. District choice is too often seen as a tool to forestall more competitive forms of choice. For these advocates, district choice is a “safe” form that protects districts from external competition while responding to parental demand. Portfolio systems are an important choice tool, but they should not be promoted to the exclusion of charters and equitable access to the private sector. Some voucher advocates take a quite opposite tack by criticizing district choice and charter schools as worthless government-controlled alternatives to a true market economy in education. For them, a utopian goal substitutes for meaningful progress. Charter enthusiasts can be no less single-minded. Too many disparage vouchers as unconstitutional and divisive while dismissing district choice as meaningless.

For choice to succeed it needs to erect a big tent that will embrace multiple possibilities. When one form of choice navigates through many political barriers, it enhances the political opportunities for other forms of choice. Debates over school vouchers paved the way for compromises that led to charter-law enactments. District choice has spread in part to compete effectively with charters. As choice opponents mobilize against charters, vouchers have gained new traction. The drive for school choice is greater than the sum of its parts.

***For choice to succeed it needs to erect a big tent that will embrace multiple possibilities.***

## ***2. US education needs greater flexibility and adaptability than what is offered by a rigid system of elementary neighborhood schools and comprehensive high schools.***

When the pandemic forced US schools to close in the spring of 2020, many districts were unable to respond readily to rapidly changing circumstances. For example,

- a. Many schools did not have the technological capacity to offer instruction online.
- b. Schools lacked teachers equipped to use long-available technologies.
- c. Collective bargaining agreements limited administrative capacity to ask teachers to provide daily instruction.
- d. Many district administrators responded to challenges with hesitancy and confusion.



- e. Many students received little or no instruction.
- f. The private and charter sectors of the educational system had their own challenges, but this sector proved considerably more adaptable, if only out of a concern that families could choose to go elsewhere once the pandemic ended.

### *3. A family's choice of school should not be distorted by fiscal policies that favor one sector over another.*

Resource equivalence does not necessarily mean that all schools should receive the same revenue per pupil. The district sector needs resources to cover legacy obligations to retired employees that do not burden the younger charter sector. Schools of choice find it easier to recruit teachers at lower wages or with fewer benefits, which also reduces their operating costs. However, current disparities across sectors often go well beyond the amount needed to cover legacy and other expenses faced by district schools. In some states, charters receive only half that available to district schools, and voucher and tax-credit scholarships can be even less than that amount. Apart from exceptional costs, state funds should ordinarily follow the child to whatever sector is chosen. Charter schools should have public support to cover their capital costs as well as their operating expenditures.

### *4. Schools should facilitate desegregation.*

#### *Schools should facilitate desegregation.*

To avoid contributing further to the racial and ethnic segregation found in district schools that serve residents in immediate neighborhoods, charter authorizers should give priority to locations where schools can attract applicants from diverse ethnic backgrounds while continuing to serve those who would otherwise attend underperforming district schools. Charters should continue to admit students by random assignment if they are oversubscribed. To minimize segregation by income, voucher programs should broaden eligibility limits to include families with incomes above eligibility levels for the free and reduced-price lunch program.

### *5. The focus should be on secondary education.*

#### *To minimize segregation by income, voucher programs should broaden eligibility limits to include families with incomes above eligibility levels for the free and reduced-price lunch program.*

States should provide higher levels of financial support to charters that serve high school students both for their start-up costs and for ongoing operations. Charters, vouchers, and tax-credit initiatives have disproportionately concentrated their resources on elementary and middle schools. Yet it is the high school where alternatives are needed the most. Student satisfaction with their secondary school is very low; absenteeism rates

are high in many districts; and student performance in high school has shown almost no improvement over the past fifty years. Inasmuch as transportation issues are more readily solved for older students, the value added of choice opportunities is almost certainly greater at the secondary level.

The paucity of choice options is due in part to state funding practices, which typically assume that the cost of educating a child does not differ from one student to another, except in the case of English Language Learners or those in need of special education. In fact, the cost of providing high school students adequate academic and extracurricular facilities as well as an appropriate range of courses taught by subject specialists is considerably greater than the cost of teaching students in primary school. Districts ordinarily have the flexibility to allocate resources between elementary and secondary schools in ways that take into account these differential costs, but state fiscal policy has not made appropriate adjustments for charters, which usually cannot cross-subsidize operations in the same way.

### **6. Choice by itself is not enough.**

Choice would be strengthened by the adoption of the reforms discussed in the other reports that comprise the Hoover Education Success Initiative.<sup>84</sup>

### **Specific Recommendations**

We recommend certain state actions for all sectors and others for each of the three sectors separately:

#### **All Sectors:**

##### *A. Encourage common enrollment systems across district, charter, and private sectors.*

States should encourage “common” or “unified” enrollment systems that include applications that rank order preferences for specific district and charter schools simultaneously. With a goal of simplifying multiple, burdensome application processes into a single, streamlined school-enrollment procedure, these transparent enrollment systems should feature one website, one deadline, and one application form. In New Orleans, for example, a “one app” system efficiently matches families to a school of their choice. Common enrollment systems can serve as equity-enhancing tools that boost school-choice participation by traditionally disadvantaged groups. In Denver, for example, participation in the common enrollment system increased enrollment in charter elementary schools by students of color, those who are eligible for free or reduced-price lunch, and those who speak English as a second language. Ideally, single application systems would include applications to private schools

***Common enrollment systems can serve as equity-enhancing tools that boost school-choice participation.***



that agree to participate in a school-voucher or tax-credit program. Together with a common application, states should facilitate the development of common information systems and fund independent choice counselors to facilitate the exercise of choice.

*B. Arrange for and cover the cost of comprehensive transportation systems that provide equal access to all students regardless of school sector.*

An integrated transportation system that serves the entire school-age population is necessary if choice is to enhance equal educational opportunity for all children. School transportation is costly and complicated. In 2014–15, public school student transportation cost approximately \$24 billion or \$932 per pupil, about 6 percent of a school's annual operating budget. Since ease of access to a school is one of the key determinants of a family's choice of school, an efficient transportation system is necessary if students are to be successfully matched to the school the family deems most appropriate. Thirty-one states currently offer transportation funding or services for charter school students, but the limitations on these services vary widely by state. In Indiana, for example, charter school students can participate in state-funded school transportation only if their path from home to school aligns with that of an existing bus route. Districts or independent agencies should assume responsibility for designing a fair system of transportation that meets the needs of all students equitably, and the state should provide resources for that purpose in order to hold each sector harmless when students migrate from one sector to another. Charters and private schools should be integrated into a common transportation system. That policy faces no constitutional barriers because public transportation of students to religious schools does not raise constitutional questions (*Everson v. Board of Education of the Township of Ewing* [1947]). Boston has long had such a system in place.

*C. Provide special education in a wide range of settings, without imposing specific numerical constraints on certain schools or networks. Parents should be given opportunities to choose programs from the district, charter, and private sectors.*

Disabilities vary in incidence, severity, and impact on others. Short-term learning disabilities, the most common form, may require simply the attention of a responsible classroom teacher augmented by periodic specialized assistance. Physical disabilities, if serious, may require specialized equipment and learning conditions that can best be provided in a setting specifically designed for that purpose. Behavioral and emotional disabilities are often disruptive for other students and for teachers who are not specially trained to address the challenges. No matter the sector, most schools cannot properly treat those with the most extreme disabilities within the confines of a standard classroom, but all schools, if well managed, are able to help with mild forms.

Counts of the numbers of disabled students in any particular school can be quite misleading. Much depends on the government's definition of a disabled student.

It is especially important for parents of students in need of special education to have a wide variety of choices in the district, charter, and private sectors. Florida's McKay Scholarship Program, which provides access to private schools for students with disabilities, has been well received by participating families and has become a model for similar programs in many other states.

### *District Sector:*

*D. Provide schools in portfolio districts with the autonomy needed to offer a diversity of genuine choices among quality schools.*

Schools of choice need to have both clarity of purpose and the agency to pursue that purpose. This is difficult, if not impossible, to achieve without autonomy. It is not clear how much autonomy is "enough," but some research suggests that principals must have control over instructional and pedagogical approaches, teacher selection (so that employees are on the same page about the purpose and approach of the school), and the allocation of time and resources so they may be aligned with the school mission. Without these elements, districts can offer schools with diverse labels but with little real distinction. The challenge is to sustain that mission over time. In the past, too many outstanding schools have lost their distinctiveness as time passed or lost their effectiveness when the founder left.

To maintain autonomy within a portfolio district, secondary and middle schools may wish to define themselves by a specific pedagogical mission. Some schools may seek to provide instruction that leads to the international baccalaureate. Others may want to specialize in science and technology, arts and entertainment, skilled crafts related to local industry, bilingual immersion, history, and archaeology (with attention to immediate surroundings), among other areas. The key to success is the recruitment of leadership and teaching staff equipped to offer instruction in the area of specialization, which requires flexible systems for teacher recruitment and placement. One or more schools in a portfolio system could serve roughly equal numbers of students with disabilities and students without the need for special programming. Such schools should have small classes and specially trained teachers able to address the needs of those with specific disabilities.

### *Charter Sector:*

*E. Facilitate charter growth by fostering proven providers and minority entrepreneurs.*

State laws and authorizer policies should encourage proven providers to scale up their operations to serve a greater number of students. This can be accomplished by raising enrollment limits currently placed on successful charters, developing fast-track approval procedures for replication schools proposed by successful charter networks, and lengthening the time before successful schools must renew their charter. At the same time, authorizers



should recruit entrepreneurs with minority backgrounds to open new schools in order to broaden the diversity of leadership within the charter sector.

*F. Pay attention to charter school authorizer quality.*

As the charter school sector continues to grow, it is a good time to consider what charter school authorization reform should look like and how these institutions might be prodded to create more effective systems of schools as opposed to simply monitoring compliance with generic bean-counting metrics. Regarding accountability, the following questions deserve consideration when state legislatures are revising their charter laws:

- How should charter school authorizers be held accountable for their decisions?
- What metrics should be used to judge authorizer performance?
- What should sanctions for unsatisfactory authorizers look like?
- Under what circumstances should chartering authority be revoked?
- What, if any, avenues for appeal are available when authorizers deny applications for new charter schools?

*G. Relax charter teacher-certification rules.*

***Releasing charter schools from unnecessary certification rules would reduce barriers to entry into teaching.***

Teacher-certification rules are present in all fifty states and in thirty-six of them, the charter school sector finds itself subject to these same regulations, despite their presumed autonomy from restrictive rules and a paucity of evidence that this rule in particular enhances student achievement. Releasing

charter schools from unnecessary certification rules would reduce barriers to entry into teaching, facilitate innovation, reduce staffing shortages, and allow schools to attract mid-career professionals looking for a career change. If such experimentation proves fruitful, onerous certification rules could be relaxed for all schools.

***Private Sector:***

*H. Consider tax credits as alternatives to vouchers.*

***Tax credits enjoy higher levels of popular support.***

Tax credits enjoy higher levels of popular support; they more easily enlist the engagement of the higher-quality schools within the private sector; and they encounter fewer constitutional barriers. While

they are dependent on a continuing flow of contributions from eligible businesses and individuals, they can mobilize support more easily if challenged, because the foundations that distribute the grants can also organize families benefiting from the program if a political threat arises.

*I. Broaden income eligibility for private choice programs.*

Voucher and tax-credit programs often have narrow income-eligibility criteria. While this may seem to enhance equity goals, they may have the opposite consequence. Stringent limits encourage segregation in receiving schools both by income and ethnicity. They can also reduce participation in the program by higher-quality private schools. Further, the policy may provide an aura of welfare rather than one of equal opportunity, thus undermining broader support for the policy. Programs with broader income eligibility, such as the Indiana Choice Scholarship Program and those targeted to students with disabilities, have a more universal appeal and broader public support.

*J. Preclude low-quality private schools from participating in government-sponsored programs but resist temptation to regulate the private sector.*

States should design private school-choice interventions in ways that preclude the participation of newly formed, low-quality, fly-by-night schools. Participation should be limited to private schools accredited by independent agencies that scrutinize the quality of the school's offerings and performance. At the same time, states should avoid imposing excessive regulations that discourage high-quality private schools from participating. The question of accountability is widely debated within the school reform community. On the one side, it is argued that private schools should be held accountable; Indiana, for example, requires that voucher students be tested on state assessments if they accept public dollars via student vouchers. On the other side, it is argued that many private schools deliver a curriculum that is decidedly different, in both content and sequencing, from the state curriculum standards taught in district schools. Using state tests may be quite misleading. Testing some students without testing all of them can yield misleading information. Testing all students may be inconsistent with a private school's mission. Further, high-quality private schools may decide not to participate in a voucher program rather than administer and be held accountable to a standard measured by a test inconsistent with their mission and curriculum. The case for extending test-score accountability to the private sector ignores the diversity within this sector and the schools' ultimate responsibility to the families who choose to attend them.

States also may be tempted to ask private schools to admit scholarship students at random, although private schools admit students perceived to be adaptable to their mission and expectations. Unless a private school is fiscally stressed, it is unlikely to participate in a program that requires it to admit scholarship students at random. The inclusion of such



restrictions in the Louisiana school-voucher legislation probably was the reason the higher-quality private schools did not participate and the overall effect of the intervention on student achievement was negative.

## CONCLUSIONS

If school choice is nearly universal in the United States, then opportunities for choice need to be as equitable as possible. The question is not *whether* to have choice, as the issue is usually posed, but *how* to have choice, given its prevalence.

The right to a private education is guaranteed by the Constitution. Public schools also allow families to choose their school when selecting the neighborhood in which to live. Given the nation's size, complexity, and modern modes of transportation, residential choice is a fundamental component of American education. Critically, this form of choice favors those with more economic and cultural resources. To provide more equal educational opportunity, new forms of choice—magnets, open enrollment, portfolio districts, charters, vouchers, tax credits, and other options—have begun to supplement choice by residence.

These new forms of choice have not transformed American education. Only about 15 percent of the student population is making use of these choice opportunities, and apart from the education provided by a relatively small number of outstanding charter and magnet schools, and access to high-quality private schools for low-income families, the quality of the educational experience at the new schools is not dramatically different from that available at assigned schools. For affluent families, the new forms of choice offer very little, as the schools they choose by residential selection are socioeconomically and ethnically homogeneous havens of educational learning.

Yet the steps taken toward new forms of choice are offering a wider range of better opportunities to children from less advantaged backgrounds. These students are performing better on tests of achievement in math and reading than those assigned to a district school, and they are more likely to continue beyond high school at higher rates than those who are in district schools assigned by residence. The students are at least as likely—and very probably more likely—to acquire desirable civic values than those assigned to a school. Parents express higher levels of satisfaction with choice schools than with assigned ones. The demand for more choice opportunities exceeds the supply of available choice schools. Importantly, charter schools appear to be improving at a more rapid rate than district schools.

Nor do choice schools have baneful effects. Choice schools do not have a negative impact on the performance of students at assigned schools, nor do choice schools have much impact on the degree of ethnic segregation in the United States. To the extent that segregation increases, it is at the will of minority families who choose their schools



regardless of ethnic composition. Apart from magnet schools, the operating costs of choice schools are lower than those at assigned schools, and choice schools do not have a negative fiscal impact on the per-pupil expenditure levels of assigned district schools. Finally, charter and private schools, compared to district ones, have adapted more quickly in the face of extreme emergencies such as Hurricane Katrina and the 2020 COVID-19 pandemic.

New forms of choice are hardly perfect, but they are a notable advance on the old system of residential choice. Yet new forms of choice encounter stiff resistance from the entrenched system of residential choice. Districts are stoutly defended by boards, employees, and the high-income, better-educated families who prefer homogeneous educational settings for their children. Given this opposition, the new forms of choice cannot be expected to immediately replace the residential choice model, but their popularity among parents and students will almost certainly increase. The principles and specific recommendations in this report, if implemented, can be expected to accelerate that process.

*New forms of choice are hardly perfect, but they are a notable advance on the old system of residential choice.*

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## About the Author



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Paul E. Peterson is the Henry Lee Shattuck Professor of Government and director of the Program on Education Policy and Governance at Harvard University; a senior fellow at the Hoover Institution, Stanford University; and the senior editor of *Education Next: A Journal of Opinion and Research*. He received his PhD in political science from the University of Chicago.

## Hoover Education Success Initiative

With passage in 2015 of the Every Student Succeeds Act (ESSA), states are again in charge of American education policy. To support them in this undertaking, the Hoover Education Success Initiative (HESI), launched in 2019, seeks to provide state education leaders with policy recommendations that are based upon sound research and analysis.

HESI hosts workshops and policy symposia on high-impact areas related to the improvement and reinvention of the US education system. The findings and recommendations in each area are outlined in concise topical papers.

The leadership team at HESI engages with its Practitioner Council, composed of national policy leaders, and with interested state government leaders. HESI's ultimate goal is to contribute to the ongoing transformation of the nation's education landscape and to improve outcomes for our nation's children.

*For more information about the Hoover Education Success Initiative, visit us online at [hoover.org/hesi](http://hoover.org/hesi).*